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9-13-05

## City of Alexandria, Virginia

## MEMORANDUM

DATE: SEPTEMBER 7, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: STATUS REPORT ON THE OLD TOWN BUSINESS IMPROVEMENT DISTRICT PLANNING EFFORTS

**ISSUE:** Creation of an Old Town special services district and planning for a Business Improvement District organization.

**RECOMMENDATION:** That Council receive this report

**BACKGROUND:** One of the implementation strategies approved this past June by Council in adopting the King Street Retail Strategy was the creation of a Business Improvement District (BID) in the Old Town area along King Street from the waterfront to the Metrorail station, King Street's adjacent north and south intersecting streets (the 100 blocks on Union, Lee, Fairfax, etc), as well as a portion of the 100 to 300 blocks of North and South Washington Street. The portions of the Retail Strategy report approved by Council are included as Attachment I of this docket item.

As envisioned by the approved Retail Strategy, and by those currently working on creating a special services district as well as a BID, this would entail the establishment by Council of a special services district with boundaries exactly following (or similar) to those detailed in the Retail Strategy Report. The special services district would be designed to enhance the King Street and adjacent areas in the district through enhanced and cleaner sidewalk areas, additional marketing of the area, coordinated parking management, improved landscaping and street furniture, as well as other services above and beyond what the City currently provides. These efforts would be financed by a dedicated service fee in the form of a small add-on to the real estate tax rate. All service fee funds collected via this tax method would be held and used to provide the services within the special services district.

It was the collective judgment of the business owners, citizens and commercial property owners who worked on the King Street Retail Strategy that a special services district and a BID were necessary to enhance the core retail and business area of Old Town. With increased competition (sometimes from new town centers whose designs can be traced back to the Market Square area

of Alexandria's Old Town) from downtown Washington D.C. (Georgetown, MCI Arena Area, etc.), Bethesda, Reston Town Center, Crystal City, Pentagon Row, Clarendon Market, Shirlington, new or planned town centers in Prince William, Fairfax City, and in Fairfax County, as well as the new planned massive National Harbor development just across the Wilson Bridge in Prince George's County, increasing the vibrancy and attractiveness of Alexandria's retail core along the King Street area will be vital in insuring the long-term health of the City. As the City has seen many times in its long history, economics, the competitive marketplace, and consumer demand can change a downtown area from healthy to anemic. With a special services district and a BID in place, the City will be better able to deal with the new regional competition (which either have established BIDs, or have a single common ownership in place that has a funding mechanism (i.e., common area maintenance changes or CAM) and better create a place that attracts and retains its customers. The King Street area in Old Town (which has about 850 distinct properties with 1,600 individual businesses) does not have this type of funding and coordinating mechanism to achieve a higher level of attractiveness.

The BID, which would be a new non-profit, as contemplated would be the primary service delivery organization for the special services district. BIDs and the services districts that fund their activities have been created in the Washington metropolitan area in the District of Columbia (such as the Georgetown BID), Montgomery County (Bethesda Urban Partnership) and in Arlington County (Rosslyn BID). BIDs have also been created and have been very successful in many cities in the United States in rejuvenating older downtown areas and in making those areas more competitive with newer commercial areas such as suburban shopping malls. Philadelphia and New York City are examples of urban areas that have established successful BIDs. The lessons learned from the successful establishment of BIDs around the country are that (1) the creation of a BID has to be both a grass roots effort, which has the wide support of the business community that the BID would serve, as well as (2) the establishment effort needs the local government as its partner and facilitator. BIDs and special services districts have been established in Virginia in the cities of Richmond, Roanoke, Norfolk and Staunton. Special service districts have also been established in Fairfax, Loudoun, Arlington and Prince William Counties to fund leaf collection, fire services or sanitary sewer services.

Since the approval of the Retail Strategy in June by Council a working group of business and property owners have come together as the "Old Town BID Steering Committee" to begin to develop a proposal to create a BID, as well as to develop community support for the creation of the BID. This group has had weekly open working meetings and has invited property owners, retail and restaurant establishment owners, as well as interested citizens to join in the planning efforts to create the BID, as well as to create a special services district proposal for Council to consider. City staff have participated in these weekly meetings, and have provided logistical support for this effort. On July 15 the Steering Committee provided a memo to Council explaining this effort (Attachment II). The Steering Committee has also produced a brochure explaining their vision of the Old Town Bid (Attachment III), as well as have created a website ([www.oldtownBID.org](http://www.oldtownBID.org)).

In the course of the community discussion there have been many questions raised concerning the special services district and the BID, as these two mechanisms are new to many in Alexandria. The following outlines the key points of these two concepts, as well as describes the differences between the special services district and the BID:

**Special Services District:**

1. Authorized under Virginia law.
2. Established by the local governing body.
3. Establishment required before January 1 in the year in which the additional real estate tax is to start.
4. District boundaries set by Council and can be amended prior to January 1 of any year.
5. Special service district fees would take the form of an add-on to the real estate tax rate (i.e., building real estate assessment times the add on tax rate equals the additional tax).
6. Although all properties within a District can be taxed under state law, the current planning is that only commercial properties would be subject to any add-on real estate tax
7. Add-on tax billed and due with regular real property taxes (due in June and November of each year).
8. Tax rate and budget for special services district set annually by Council as part of the regular City budget process.
9. Council has total discretion as to the add-on tax rate set annually.
10. All special services district tax funds assessed and collected by the City must be spent on new or enhanced services in the special services district.
11. City must maintain services in the district at no less than the current level.
12. The City would retain responsibility for capital infrastructure (capital funding and maintenance).
13. The City would determine which of the normal public operating functions it would have the BID responsible for, and which the City would remain responsible for (i.e., the City would decide what to delegate to the BID and what to retain as a City function).
14. Public policies (land use planning, special use permits, regulatory responsibilities, infrastructure and streetscape design and furniture standards, etc.) would remain in the purview of the City, although the implementation of the streetscape design and furniture standards could be delegated to the BID.
15. The City could decide to contract out current City-provided services (sidewalk cleaning, tree bed mulching, landscaping in the Washington Street median) to the BID or to keep those programs as City provided. If contracted out to the BID, dollars to fund would be transferred to the BID.
16. The City could also provide some of the special services district functions.
17. The relationship between the City and the BID would be governed by an annual contract where duties, responsibilities and delineation of functions of both parties would be clearly detailed.

**Business Improvement District (BID) Organization (as envisioned by the work to date of the Old Town Bid Steering Committee):**

1. The BID would be a private non-profit organization.
2. The BID would be a public-private partnership with the City.
3. The BID would have an elected board of directors.
4. The BID would have property owner, business owner/manager, and representatives from civic associations on its board of directors.
5. The BID, as a primarily publically-funded organization, would be subject to Virginia open meeting laws, FOIA (correspondence, records, minutes, etc), as well as generally accepted accounting and independent audit standards.
6. The BID would be both a City contractor and an advocate for Old Town BID area issues
7. The BID's responsibilities are currently envisioned as:
  - a. Streetscape maintenance (cleaning and beautification).
  - b. Marketing and promotion.
  - c. Parking management and coordination.
  - d. Coordination of merchants (such as in seeking common evening hours for store closing).
  - e. Installation and maintenance of street furniture (flower containers, benches, etc).
  - f. Certain special events.
8. The BID would annually propose a budget and special services district add-on real estate tax rate to Council.

It is contemplated by the BID Steering Committee that it will have developed plans and obtained sufficient community support in October so that City Council can hold a public hearing and consider the creation of a special services district this November (or December at the latest).

Under Virginia law, a special services district is required to be in place by January 1 of the year in which a special services district real estate add-on tax rate is levied. So if any special levy is to be collected in 2006, the special services district needs to be in place by the end of 2005. At this point the BID Steering Committee is working on its plans, discussing the BID and special services district option with the King Street area business community, holding community meetings, meeting with civic and other groups, as well as gathering support of individual businesses. The governance structure is also under discussion. The BID in cooperation with City staff is also planning on upgrading the appearance (cleaning, benches, flowers and landscaping) of the 700 block of King Street as a visual example of how the whole King Street areas of Old Town could be improved. This upgrading is planned for October, and is being jointly funded by the City and the Old Town Business Improvement District (BID) Steering Committee.

Representatives from the Old Town BID Steering Committee will be present at Council's September 13 meeting to respond to questions from Council.

**FISCAL IMPACT:** There would be no material direct fiscal impact of a special services district on the City's General Fund, as the District would be funded by a new fee levied in the form of a

small add-on real estate tax. The indirect impact on the City's General Fund would be positive as the activities of the BID (as funded by the special services district) would result in net new real estate, personal property, sales, meals and other local taxes due to the positive economic impact of the activities of a BID.

**ATTACHMENTS:**

- Attachment I. Excerpts from the King Street Retail Strategy Report (p. 9-2 to 9-8)
- Attachment II. July 15 Memo to City Council from the Old Town BID Steering Committee
- Attachment III. Old Town BID Steering Committee Brochure

**STAFF:**

- Mark Jinks, Assistant City Manager
- Tom Fairchild, Business Facilitator
- Kimberley Fogle, Neighborhood Planning and Community Development Division Chief
- Eric Forman, Urban Planner III

## STRATEGY IMPLEMENTATION

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Three steps were identified as key to the implementation of the recommendations outlined in King Street Retail Strategy. The first is the establishment of a public/private organization that will work closely with the City to provide leadership, management and financial support to maintain and enhance King Street's competitive position in the region. The second is the modification of existing ordinances and regulations to bring them into line with the current vision for King Street. Lastly, is the creation of marketing strategies to assist King Street in achieving its potential.

### THE KING STREET PARTNERSHIP CONCEPT

#### Background

It was clear from the initial identification of issues derived from the stakeholder interviews, discussions with the City staff and input received at the Advisory Committee workshops that there is a need for a form of new governance and management to implement the vision for King Street. Successful implementation of the Strategy over time requires a close working relationship between the property owners, the business proprietors, the community and the City. Each of these groups has expressed the desire to have "ownership" in King Street and Old Town and each should have a proactive role in the planning and management of King Street. Indeed, King Street, in both image and substance, is important for all of the residents of Alexandria, and therefore, all elements of the City have a stake in the continued success of the street.

For King Street to maintain a prominent position in the region's increasingly competitive environment, full-time paid leadership, oversight and management are required. No longer will part-time assistance from the City and volunteer-based organizations suffice. While those have made a difference on King Street and in Old Town their limited resources have limited their potential impact. King Street is now competing with privately-funded

(through common area maintenance charges) professionally managed retail/entertainment malls and "town center" type complexes that have the ability to manage the retail/entertainment/restaurant operations and provide coordinated hours of operations, comprehensive marketing and promotions. To assure a leadership position in the future, the Strategy proposes a management and funding entity whereby the private sectors will drive the leadership and management while the public sector facilitates the funding for the capital improvements and operations of King Street.

It is not the intent of the Strategy to lay out a specific roadmap for the new management entity; rather, this Strategy provides an outline for one example of an organization and offers strategic approaches for a process that will lead to the formation of an appropriate entity based upon input from all of the parties. A King Street leadership organization needs to be derived from local businesses and any new effort needs to be grassroots-based.

During the course of the planning, a number of Advisory Committee members suggested that the City consider the formation of a Business Service or Improvement District (BID) to fund the creation and operation of a management organization established as a joint venture between the King Street community and the City. This approach is important to the Strategy's recommendations.

#### Issues and Opportunities

The following is a summary of issues and opportunities that were identified by the Advisory Committee during the planning process relating to the development of a new leadership/management entity:

- A form of governance is required that will provide the desired resources for leadership and nurturing necessary for implementation of the vision outlined in the Strategy;

## STRATEGY IMPLEMENTATION

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- The City staff resources are limited;
- The King Street business community desires more direct involvement, leadership and management of King Street;
- The multiple business and non-profit organizations relating to King Street do not have crisply-defined and well-coordinated goals and responsibilities;
- Volunteer leadership which run their own businesses can only go so far in leading and managing the key elements of King Street;
- Shared governance provides a more energized and cohesive King Street business community. Most importantly, shared governance provides “ownership” of the problems, concerns and solutions; and
- The community wants to be more empowered so that it does not have to approach the City as a benefactor each time it wants to implement a program.

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within the given service district. The following is a list of select Virginia localities that have utilized the state legislation for the purpose of creating a business service (or improvement) district, as well as an estimate of each district's annual tax revenue/budget.

Arlington (Rosslyn)	\$ 1,000,000 in tax revenue
Fairfax City	\$ 600,000
Roanoke	\$ 200,000
Richmond	\$ 700,000
Norfolk	\$ 1,000,000
Staunton	\$ 65,000

### LEADERSHIP/MANAGEMENT/FUNDING/ ORGANIZATION RECOMMENDATIONS

The Strategy recommends the formation of a new public/private organization, which for the purposes of the Strategy is called the King Street Partnership (KSP). This KSP should evolve from the current King Street Metro Enterprise Team (KSMET), incorporating the Old Town Business Association organization. A key issue in establishing the KSP is delineating the division of leadership, management, funding and implementation responsibility between the City; City-funded agencies, such as the Alexandria Economic Development Partnership (AEDP) and the Alexandria Convention and Visitors Association (ACVA); and the KSP. The intent is to create a new organization to ensure that the programs and recommendations from the King Street Retail Strategy are implemented. The following are some thoughts on how the KSP could allocate responsibilities. The responsibilities of all parties would be negotiated during the formation of the KSP and documented in the bylaws or charter. It is not the intent to devolve from the Planning Commission, the Board of Architectural Review for the Old and Historic Alexandria District, or the City Council any of the responsibility that now rests with those bodies for the adoption of public policy.

**Experience of Other Communities in Virginia**  
Other communities within Virginia, as well as Maryland and Washington, DC have undertaken a similar public/private approach to lead, manage and fund their commercial cores. Typically, these organizations in Virginia utilize the provisions of the Service District enabling statutes, which permit the formation of a special taxing district to provide a series of improvements or services for the district. These statutes require that all funds generated through the district must be spent in or for the benefit of the properties in the district.  
  
While no particular management structure is mandated by State legislation, the most typical format in Virginia for the management of such districts is through a 501(c) (6) corporation. In general, revenues are derived from an add-on to the localities' general real estate tax rate paid by the properties

## STRATEGY IMPLEMENTATION

### ESTABLISHING THE KING STREET PARTNERSHIP

The establishment of a public/private entity such as the King Street Partnership is considered key to implementing and sustaining the vision and strategies for King Street. The initiative for the KSP must come from the community, and there should be a broad buy-in as to its mission and taxation plans. A successful BID is community-based and grassroots-driven. To that end, it is recommended that as a part of the King Street Retail Strategy, a working group primarily comprised of KSMET with City staff support, should survey the business and property owners to determine if support for the KSP is as broad as that expressed within the Advisory Committee and the public meetings. Before a King Street Partnership is created, there must be a “buy-in” as to its mission, boundaries and taxation plans.

The establishment of an entity such as the proposed KSP requires expertise, organization and support. Once the community determines that it supports the concept of the KSP, it is recommended that the City assist the community by providing staff and funding to create the organization. Start-up costs would be required to incorporate the new organization, undertake the process to identify the responsibilities of the City and KSP, establish the boundaries of the District, identify the makeup of the Board, hire staff and identify the business leadership. These start-up efforts could be reimbursed by KSP once it is operational.

The make-up of the new organization is important. The vision for the KSP is that it will engage full-time staff supported by an active and engaged volunteer board. There are a number of ways that the makeup of the board could be determined. The most appropriate would be determined by the community working with the City. The desired representation and experience of the board members could be determined and a nominating committee established from the various existing constituencies established to nominate candidates for the Board.

### ROLES AND RESPONSIBILITIES OF THE KING STREET PARTNERSHIP

The following are thoughts for consideration on the roles and responsibilities of the KSP:

- Planning, implementing and managing the business and marketing elements of the King Street Retail Strategy, such as business promotion, marketing and operational activities, in coordination with the activities of ACVA;
- Supporting and enhancing the King Street mission and goals/objectives as outlined in the King Street Retail Strategy;
- Working with the City to provide a coordinated overview of all issues and proposed actions relating to King Street, including prioritization of all proposed actions and funding allocations;
- Coordinating the private parking resources with the public resources;
- Coordinating with DASH to provide enhanced transit services;
- Establishing and monitoring retail/entertainment operational standards/guidelines, such as show window lighting, consistent retail hours of operation, private sidewalk cleaning, snow removal, etc.;
- Working with the ACVA's local marketing efforts in developing and implementing a King Street marketing plan, including general and special promotions, retail and merchandising expertise;
- Working with the City to clarify public and private maintenance responsibilities and managing the implementation of the private sector responsibilities;
- Working with AEDP and others to identify and recruit complementary regional and local businesses, and developing information resources and programs to recruit and retain desired businesses; and
- Advising the City on issues that arise relating to King Street and Old Town.



### **ROLES AND RESPONSIBILITIES OF THE CITY**

Within the context of the KSP, the roles and responsibilities of the City could include:

- Continuing the responsibility for the policy development and implementation. The Strategy provides the public policy guidance for the Strategy's implementation by the various parties;
- Continuing the use of city-wide tax dollars for existing public services on King Street;
- Assisting in the process of initiating the leadership/management entity (KSP);
- Negotiating a common understanding of the public and the private responsibilities;

### **THE KSP BOARD OF DIRECTORS**

Typically, the boards of other similar districts are comprised of 20 to 30 members. For King Street it appears that a board on the lower end of this range may have the potential to be more effective than a larger board, in conjunction with an active executive committee. Terms of the board members should be established to provide overlap and continuity. The Board should have broad representation including participation by property owners, merchants, civic and business associations, the City and residents. The business and property owner members could either be elected by the board or by the membership at large.

- Advancing initial start-up costs, if necessary;
- Assisting the KSP in the implementation of its charge by providing advisory support;
- Establishing and maintaining the policy for land use and public/private physical improvements through City policy (based upon the adopted strategy), zoning and other appropriate regulations as implemented by the Department of Planning and Zoning, including facilitating the processing of permits through the Department of Planning and Zoning;
- Establishing public/private streetscape standards to implement the Strategy;

- Implementing and maintaining a city-wide funded "base" level of capital improvements through the City's Capital Improvement Program process;
- Providing transit services consistent with the strategy to reduce the adverse impact of the automobile;
- Providing coordination between all City departments as they relate to King Street; and
- Working with the KSP to establish an overall parking strategy; this includes ensuring the close coordination of the public parking resources with the overall Old Town parking management plan.

## STRATEGY IMPLEMENTATION

### BUDGET/FUNDING OF THE KSP

The overall success of the KSP will be predicated on its ability to generate funds to implement the Vision for King Street. To that end it is expected that the City will maintain its historical financial support for King Street/Old Town; however, it is incumbent on the private sector to provide its share of resources that will assure the enhancements to create the vibrant mix of retail, restaurant and entertainment that is described in the mission and vision for King Street. The establishment of a Business Improvement or Service District (BID) would have the greatest and most equitable potential to contribute significantly to the KSP's budget.

The community must determine the level at which it is willing to support the KSP, and the level of potential revenue from the special district depends upon the following factors:

- A determination of the individual parcels within a defined contiguous boundary that would be subject to the BID assessments;

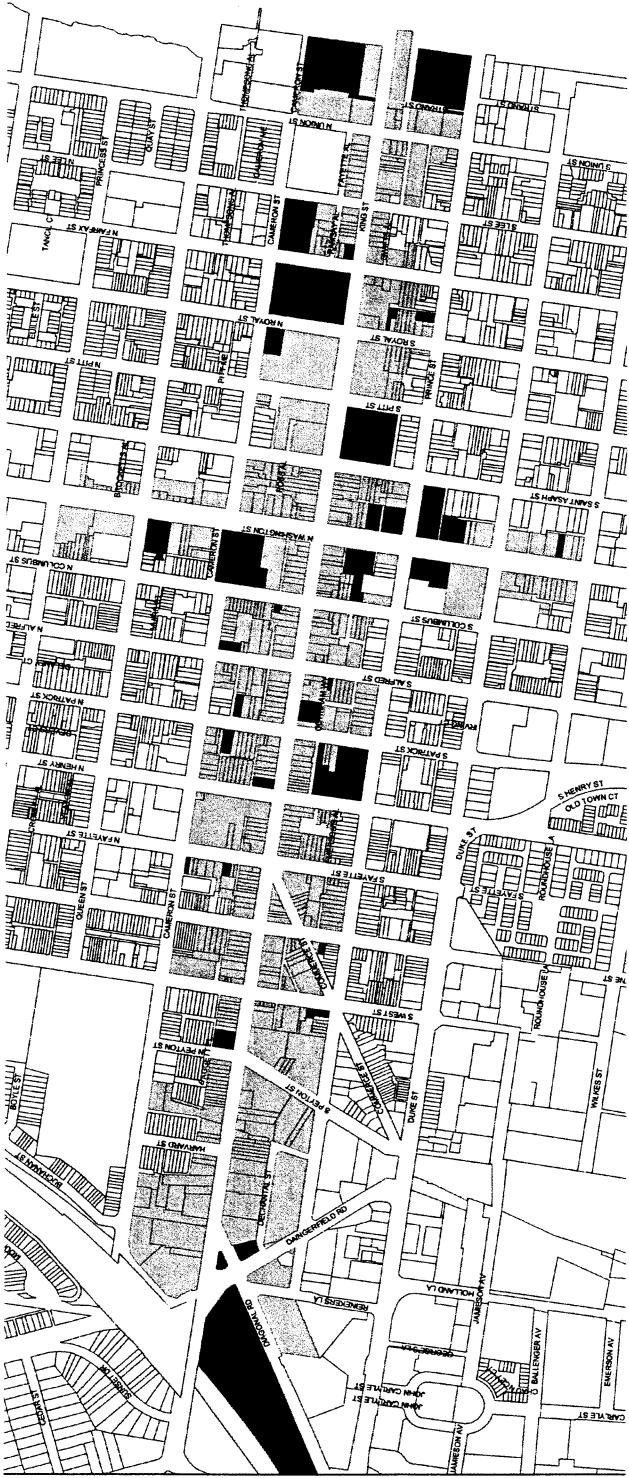
- The assessed property values; and
- The tax rate proposals for the district.

A number of alternative district boundaries were reviewed to determine the potential tax revenues. For discussion purposes Figure 9.1 depicts one potential example for a King Street Business Improvement District boundary. The properties proposed to be included within the BID are graphically highlighted as well as the tax exempt properties located within the boundary. It is clear that there are a number of ways the boundary could be drawn.

Figure 9.1 (BID boundary) indicates the commercial and tax exempt properties within the draft BID boundary. The properties (those included in the district tax base) include only those that are zoned CD (Commercial Downtown), CL (Commercial Low), OCH (Office Commercial High), OCM (Office Commercial Medium), WPR (Waterfront Park and

FIGURE 9.1 – King Street Business Improvement District - Possible BID boundary.

■ NON-TAXABLE PARCEL  
□ TAXABLE PARCEL



Recreation), or RC (High Density Apartment)—these properties are zoned for some manner of commercial use. Apartment buildings may be considered commercial enterprises for the purposes of BID District definitions and are included in the proposed BID district boundary.

#### **Assessed Property Values**

To estimate potential revenues associated with the draft BID service area, the assessed values were analyzed for all properties within the draft area's boundaries. Values used in this analysis were valid as of March 2004 (changes in assessed value after March 2004 are not reflected).

*FIGURE 9.2 – Estimate of Additional BID Property Tax Payments*

		<b>BID Tax Rate (Per \$100 of Assessed Value) with BID Budget of:</b>		<b>Annual BID Assessment with a BID Budget of:</b>	
		\$250,000	\$500,000	\$250,000	\$500,000
<b>Property with \$500,000 Assessed Value</b>	2.59¢	5.19¢	\$130	\$259	
<b>Property with \$1,000,000 Assessed Value</b>	2.59¢	5.19¢	\$259	\$519	

*Calculations based upon City of Alexandria property tax assessments, March 2004*

#### **Potential Revenues**

Based upon the draft service district boundaries outlined in Figure 9.1 and the assessed values of the taxable properties contained within the boundaries, the increase in tax rate and BID assessment were calculated to fund hypothetical annual BID budgets of \$250,000 and \$500,000. Figure 9.2 summarizes the tax impact for theoretical properties that are assessed at \$250,000 and \$500,000. The additional tax assessment for each property is dependent upon the value of the property, the annual budget of the BID and the physical area that is serviced by the BID. For instance, a property located in the BID and

assessed at \$500,000 would pay \$259 (or 5.19¢/\$100 of assessed value) in additional annual real property taxes to support a BID with a \$500,000 budget. The BID assessment would rise or fall depending upon the BID's projected budget and/or the BID's boundary, as well as changes in annual assessments within the BID boundaries.

BID revenue is clearly a significant source of funding for the King Street Partnership. However, other sources could contribute as well. Another source of revenue could include membership dues from business owners and operators. A membership component would give businesspeople a stake in the organization that they would not otherwise have if revenue were limited to Business Improvement District taxes that are paid exclusively by property owners.

It is not envisioned that the BID would become a large operational entity with a large staff. Rather, the BID could be a lean “virtual service delivery” organization that would contract with the City or use existing City contracts, (or that of other organizations in the City) to provide the desired higher level of services within the BID boundaries. This organizational structure will help keep the BID staff focused on helping lead the organization to achieving its goals, rather than on day-to-day administration. An example of this contracting method would be additional flower plantings beyond those the City already provides. In those cases the BID can reimburse the City for increasing its contract with the City’s private sector contractor to provide the additional services.

## STRATEGY IMPLEMENTATION

### SUMMARY

The establishment of a new public/private leadership/management entity is critical to the success of the King Street Retail Strategy. KSMET and other community representation with assistance from the City should initiate a dialogue to determine if there is wide support for the King Street Partnership approach with funding through the establishment of a Business Improvement District.

### Modifying the Small Area Plan Zoning Ordinance

The Department of Planning and Zoning intends to prepare the necessary changes in the Small Area Plan, the Zoning Ordinance and other documents that are required to have these existing plans and ordinances conform to the King Street Retail Strategy. The intent is for formal public hearings on the Small Area Plan and the Zoning Ordinance to be held concurrently with the review and approval of the King Street Retail Strategy.

### Implementing the Marketing Strategies

Following the approval of the King Street Retail Strategy and the implementation of the King Street Partnership, the following strategic marketing approaches are recommended for implementation. The marketing strategies propose concepts and specific recommendations for strengthening the market for King Street and building upon the findings from the market analysis, consumer surveys, business interviews, client/Advisory Committee discussions and consultant experience.

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### INTEGRATED MARKETING THEMES

Several marketing themes or concepts have been developed as an outgrowth of the findings from the market analysis. These themes provide a baseline for the gradual development of ongoing management and revitalization programs. In essence, these programs are proposed as elements of a vision for marketing the King Street corridor.

All of the marketing concepts emphasize the strengths of Old Town as a “charming, walkable, historic small town.”

There is the need to focus on enhancing street life, promoting local/independent stores, creating an active waterfront, and enhancing the opportunities for King Street to be a place to live, work, shop and play. The marketing concepts and their respective elements are described below. These concepts are not mutually exclusive, but should be integrated in a way that emphasizes King Street's real strengths. The following are thoughts on marketing themes:

#### Cafes & Street Life

This concept emphasizes outdoor cafe dining, evening activity, later and more consistent business hours and regular outdoor programming (street festivals, events, shows, holidays, farmers markets, live music) in order to enhance the street activity that draws local and destination shoppers to the area.

#### Arts & Music

This theme builds on King Street's and Alexandria's strengths as a center for art and music. Marketing should focus on the Torpedo Factory Art Center (perhaps as a sponsor of art competitions and art-on-the-street), recruiting a regional art supply center, art shows, music festivals, public art and related activities.

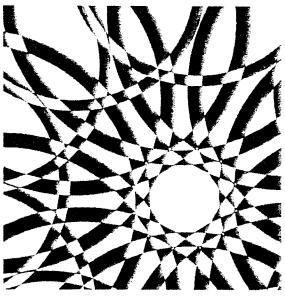


## MEMORANDUM

TO: Mayor and City Council  
 FROM: Old Town BID Steering Committee *(Signature)*  
 DATE: July 15, 2005  
 RE: Additional facts related to the Old Town BID, Inc. (not included in the brochure)

We are pleased to include the additional facts related to the Old Town BID, Inc. Should the Mayor or Members of Council require additional information, we would be happy to meet with you or your staff.

- The Old Town BID, Inc. will be contacting, via mail or in person, some 850 commercial property owners within the proposed BID boundaries.
- The Old Town BID, Inc. will be visiting with or mailing the brochure to some 1,600 commercial tenants within the proposed BID boundaries.
- The Old Town BID, Inc. will be hosting, at a minimum, four community meetings (and will meet with groups upon request).
- City staff has been active—and we encourage them to continue to be active—in the Old Town BID, Inc. Steering Committee process.
- The Old Town BID, Inc. Steering Committee has drafted by-laws and articles of incorporation that we are reviewing for presentation to the City Manager and City Council. The BID attorney is also discussing details with the City Attorney.
- The Old Town BID, Inc. will be sending invitations/letters to the following organizations asking for their participation in the planning process:
  - King Street Retail Strategy Advisory Committee
  - Alexandria Chamber of Commerce
  - Upper King Street Neighborhood Association
  - Alexandria Federation of Civic Associations
  - Old Town Civic Association
  - KSMET
  - AEDP
  - ACVA
- All expenses related to the BID have been incurred by the private sector.



# old town BID

*business improvement district*



A Vibrant  
Community  
Solution

**competition is heating up!**  
With planned renewal  
and added retail in  
Crystal City, Shirlington  
and National Harbor,  
Old Town's business  
competition is  
growing stronger.

old  
town BID

Old Town BID, Inc.  
1307 King Street, Alexandria, VA 22314



Proposed BID boundaries



Did you know Alexandria's ... ?

Sales Tax Revenue is Off

Alexandria's sales tax revenue increased only 7.1%:

- less than Arlington (12.1%)
- less than Fairfax (10.4%)
- less than the region (10.2%), and
- less than the Commonwealth (8.9%).

*Source: City of Alexandria Budget memorandum, April 7, 2005*

Vacancy Rate is Up

The commercial real estate vacancy rate in the first quarter was 12.1%. More than 4 million square feet is available for rent while another 1.2 million square feet is under construction. Asking rent is \$31 a square foot, second highest in Northern Virginia next to the Rosslyn-Ballston Corridor.

*Source: The Washington Post, p. E9, May 9, 2005*

Place  
stamp  
here

## Will the BID replace city services?

BID services will augment—not replace—services currently provided by the City of Alexandria.

## What will the BID do for commercial property owners and tenants?

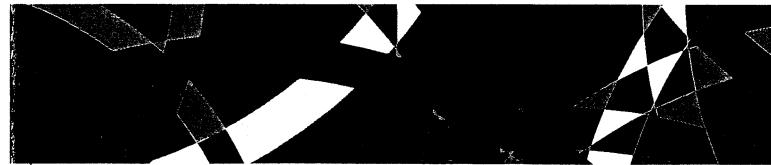
The Old Town BID will provide services such as marketing and promotion, parking, transportation, cleaning and maintenance, beautification, activities and special events. These enhanced services will increase economic competitiveness, stimulate the public environment and assure the area's economic viability in the future.

## How is a BID established?

If there is sufficient interest among commercial property owners and the public, City Council will be asked to establish the Old Town BID.

## Who are the people involved with planning the Old Town BID?

The Old Town BID Steering Committee includes Rob Kaufman, Don Simpson Jr., Lois Walker, Boyd Walker, Lonnie Rich, John Irvine, David Martin and John Renner. Other property owners and tenants are also involved. If you'd like to play a role in the planning process, call the Old Town BID at (703) 299-8323 or [info@OldTownBID.org](mailto:info@OldTownBID.org).



Yes! I Support the Old Town BID

I believe the BID will help in renewing and beautifying Old Town, making it a better place to live, shop, work and dine!

.....  
Name (please print)

.....  
Signature Date

.....  
Company Name (please print)

[ ] Property owner [ ] Resident  
[ ] Retail merchant [ ] Tenant

.....  
Address

.....  
City State Zip

.....  
Work phone Home phone

.....  
Work e-mail Home e-mail

[ ] Please send me a Yes! Old Town BID sign for my window.

[ ] I'd like to get more involved. Please contact me with details.

Return to:  
Old Town BID, Inc.  
1307 King Street  
Alexandria, VA 22314  
[www.OldTownBID.org](http://www.OldTownBID.org)





The Old Town BID will energize Alexandria's historic downtown to enhance the desirability for living, working, shopping and dining by providing services such as:

- Street/sidewalk cleaning
- Increased public safety
- Addressing parking challenges for shoppers, employees and residents
- Planting more trees and flowers
- Marketing Old Town with banners, brochures and visitor information



[www.OldTownBID.org](http://www.OldTownBID.org)

## What is a BID?

A BID or Business Improvement District is a legal mechanism to enhance the management of a particular commercial place. It is based on a "benefit district" concept which allows for a small incremental tax assessment on commercial property within a defined geographic boundary.

Five characteristics of a BID include:

- 1) private sector representatives lead in planning;
- 2) sustainable funding system;
- 3) authorized by government through legislation;
- 4) authorized to provide business and property-related services within its boundaries; and
- 5) will be managed as a private/public partnership.

## Does Old Town need a BID?

The King Street Retail Strategy developed by citizens and passed by City Council recommended a public/private entity to assure that King Street will remain a vital, thriving, commercial area and the preeminent historical "Main Street" in the country.

Georgetown, Bethesda and Rosslyn have created successful BIDs, as have many other thriving retail areas across the U.S.A.